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INSIDE WASHINGTON

U.S. rethinks strategy on Nicaragua

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THE Reagan administration, facing bleak prospects for future funding for the Nicaraguan contra rebels, has launched a very quiet study of new ways to deal with the Soviet-backed Sandinista regime, White House and State Dept. officials said over the weekend.

An informal review of the contra campaign — and U.S. policy toward Central America — has been ordered by National Security adviser Frank Carlucci in the wake of the Irancon scandal and some very tough warnings from Capitol Hill leaders who say it is doubtful that Reagan will be able to win approval of his request for \$105 million in new aid to the contras.

No decisions have been made on U.S. policy toward the contras and, in public, President Reagan continues to put the prestige of his presidency on the line for continued U.S. military assistance to the Nicaraguan resistance.

Despite the fact that Reagan won a surprising victory last week in the Democratic-controlled Senate for release of \$40 million in military aid for the remainder of the year, there is an emerging consensus among contra supporters in Congress and in some circles of the Reagan administration that time is running out for the "freedom fighters."

"We are not throwing in the towel on the contras," said one Reagan adviser.

"But we have to prepare for the possibility that Congress may cut the contras off completely. We need to plan ahead and not be

caught behind the eight-ball in Central America."

According to experts, the military situation for the contras looks as bleak as their political prospects in Washington.

The Sandinista army, equipped with \$1.5 billion worth of sophisticated Soviet hardware, has solidified its defenses in areas where the contras operate.

Intelligence sources say the Sandinistas have been mining and reinforcing past contra infiltration routes, relocating population in combat areas to deprive the contras of pools of supporters, and improving air defenses to cut them off from CIA resupply drops — making it all the more difficult to hold territory inside Nicaragua.

That has left the contras with a hit-and-run strategy — sending small bands of 20 men from Honduras into Nicaragua to attack targets like government cooperative farms, power stations, rural stores — and occasionally a small military target.

On the Washington battlefield, the contras' already fragile political base has been dramatically eroded by the investigations of two congressional committees and special prosecutor Lawrence Walsh, who are turning the spotlight away from the shadowy Iranian arms dealers and onto the contra leaders and their network of U.S. support.

The focus of the investiga-

tions now is on charges that a secret contra funding effort coordinated by Marine Lt. Col. Oliver North and a network of conservative activists and soldiers of fortune violated U.S. laws by shipping guns instead of "humanitarian" aid to Nicaragua at a time when all U.S. military involvement was banned.

There are no easy answers as to what to do next.

Democrats want to escalate regional diplomatic negotiations and have lined up behind the latest peace plan by Costa Rican President Oscar Arias Sanchez — which calls for open elections, an end to insurgent movements and guaranteed civil rights in Nicaragua.

But the Democrats have been unable to demonstrate that negotiations can succeed — especially with an intransigent Sandinista regime that regards the contras as less of a threat each day.

The options being discussed by the Reagan administration are also difficult ones: either stepping up direct U.S. military involvement and involving Nicaragua's neighbors in the political and military combat or simply accepting the Sandinistas as a fact of life and allowing the Soviet Union to establish another beachhead on America's back door.

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DESPITE the huge problems the White House is facing with the contra cam-

paign, the Reagan Doctrine — the policy of covertly aiding anti-Communist movements — is alive and well in other areas of the world.

Last month, at the height of the Irancon scandal, President Reagan signed a secret intelligence "finding" authorizing a \$25 million CIA campaign against Communist insurgents in the Philippines in an attempt to bolster President Corason Aquino.

The Philippine operation involves stepping up intelligence gathering, training the Filipino army in counter-insurgency warfare, and other highly sensitive cloak-and-dagger work.

The CIA drive to give covert assistance to the Afghan rebels is also thriving and continues to enjoy broad-based congressional support.

The Afghan freedom fighters have received \$1.5 billion from the U.S., and American officials continue to believe that the campaign is so successful that the Soviets will be looking for a way out of Afghanistan at the next U.S. Soviet summit.

Despite Irancon and circumstantial evidence that profits from U.S. arms sale to Iran went into CIA bank accounts for other anti-Communist rebel movements, Congress continues to back covert U.S. assistance for Angolan rebel leader Jonas Savimbi, as well as for rebels fighting in Ethiopia, Mozambique, and Kampuchea, sources said.